

CAPITAL BUDGET

- Capital Improvement Plan Policies
- Capital Improvement Plan Timeline
- Fiscal Year 2013 Capital Budget
- Comparison of Proposed and Manager's Recommended Capital Budget
- Explanation of Changes - Planned and Manager's Recommended Capital Budget for Fiscal Year 2013

This section includes the Capital Budget for FY13 with a brief overview of the projects recommended for funding. The FY13 Street Resurfacing schedule is also included.

CAPITAL IMPROVEMENT PLAN POLICIES



"The City of Hampton fully engaged its citizens and stakeholders in developing the Capital Improvement Plan. Coliseum Central appreciates the time and talent invested by all in developing a plan that will enhance our lives and the lives of future generations."

- Elizabeth McCoury

CAPITAL IMPROVEMENT PLAN POLICIES

Purpose

The purpose of the Capital Improvement Plan (CIP) is to provide a structured process for funding major acquisitions, improvements and new construction projects in the City of Hampton. Generally, projects included in the CIP must have a useful life of at least five years and initial costs in excess of \$50,000.

Financial Policy Statements

The financial parameters for pay-as-you-go funding for capital improvement projects are that no less than two percent (2%), but no more than six percent (6%) of estimated revenue for the annual operations of the City, less Schools, shall be devoted to capital expenditures. The total estimated General Fund operating revenues for fiscal year 2013 is \$304,087,767. To adhere to this policy, contributions from the General Fund (GF) which include General Fund Balance Transfer, General Fund Operating Revenues and Urban Maintenance Contributions cannot be less than \$6,081,755 and no more than \$18,245,266. For fiscal year 2013, the total amount of funds being transferred from the General Fund to the Capital Projects Fund is \$10,871,039 or 3.6% which is within the City's financial parameters.

A second tier to the City's financial policy was adopted on April 11, 2007 by City Council and states a minimum of 10% to 15% of the total capital improvement expenditures, over a rolling five-year period, shall be funded from General Fund revenues. The five year CIP totals \$154,229,168 and the 10% to 15% minimum to be funded from General Fund revenues is equal to \$15,422,917 and \$23,134,375 respectively. The City anticipates funding \$55,546,040 or 36% from General Fund revenues. This amount is in compliance with the policy parameters.

While current revenues provide funding for some capital projects, other revenues are received from Federal and State sources such as the Urban Development Action Grant (UDAG) Funds. However, over the next five year period, a large portion of financing will mainly come from the issuance of General Obligation Bonds, the Wastewater Fund and Stormwater Fees. For financial policies regarding the maximum amount of debt that the City can issue, refer to the ***Financial Summaries Policies*** section of this document.

It is the long-term goal of the CIP Committee to use pay-as-you-go funding for annual, recurring maintenance-type projects, funding from General Fund Balance for construction and Economic Development projects. Bond proceeds are used to fund major one-time only capital expenditures and limit the amount of public funds designated for new projects/new construction.

CAPITAL IMPROVEMENT PLAN POLICIES

CIP Process

Each year, as part of the annual budget process, the City Council updates its five-year forecast for capital improvements. Based on the requests made by various City departments, community groups and revenue projections, the CIP Committee makes a recommendation to the Planning Commission, City Manager and City Council identifying those capital projects being changed, added or deleted and new projects that have become a high priority.

Capital projects include such items as road extensions and intersections, new construction of public facilities, maintenance of existing facilities and the acquisition of land for future public use. The CIP projects are classified into one of ten categories:

- Education
- Hampton's Waterways
- Maintenance of Public Properties
and Performance Support
- Master Plans
- Neighborhood Support
- New Facilities
- Other CIP Projects
- Other Economic Development Support
- Public Safety
- Streets and Infrastructures

CAPITAL IMPROVEMENT PLAN (CIP) TIMELINE



Commencement of Annual Process and Staff Preparation for CIP Committee Meetings
August 2011 - September 2011

Community Educational Sessions/Roadshows
October 2011 – January 2012

CIP Committee Meetings
October 2011 - January 2012

Planning Commission Briefings
September 1, 2011
October 6, 2011
November 3, 2011
December 1, 2011
January 5, 2012

Overview Presentation to Planning Commission
February 2, 2012

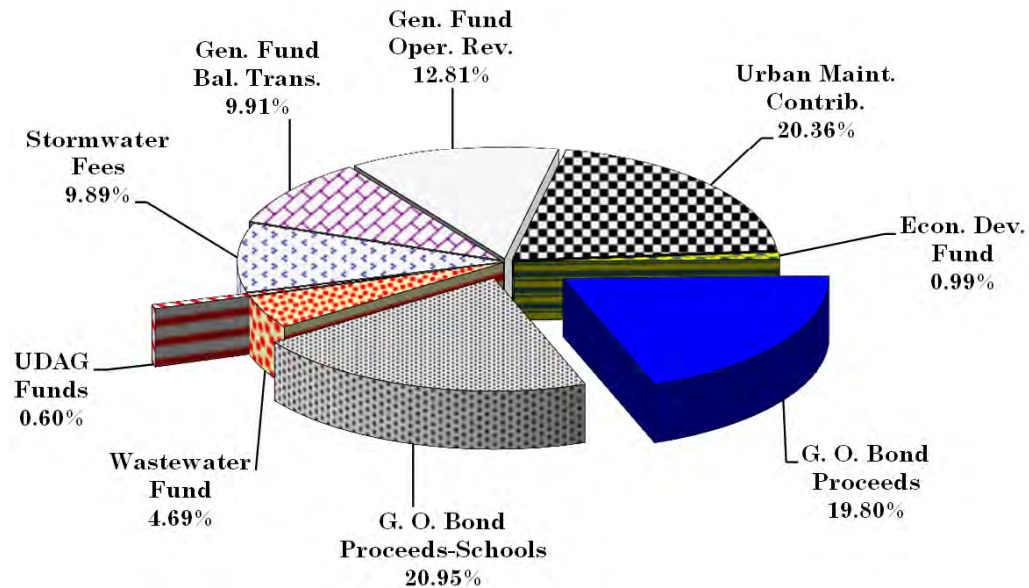
Planning Commission Work Session
February 15, 2012

Planning Commission's Public Hearing
March 1, 2012

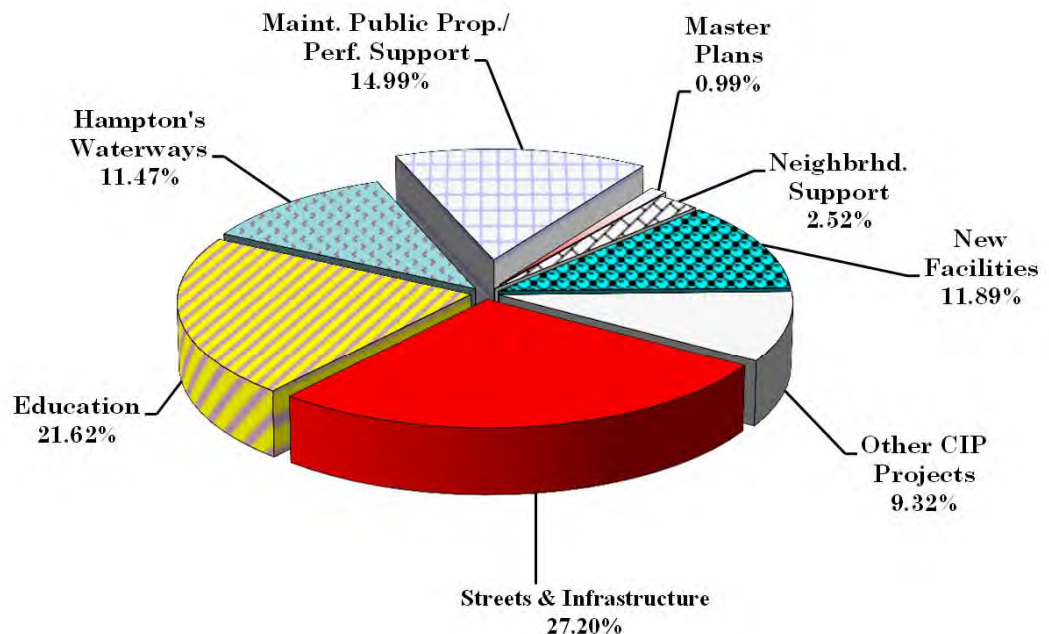
City Council's Public Hearing and Action
March 14, 2012

Approval of Manager's Recommended Budget which
incorporates first year of Council Approved FY 2013-2017
Capital Improvement Plan as the Capital Budget
May 9, 2012

Capital Budget Revenues



Capital Budget Expenditures



CAPITAL BUDGET

<u>Revenue Sources</u>	<u>Amount</u>
General Fund Balance Transfer (GFB)	\$2,500,000
General Fund Operating Revenues (GFR)	3,232,265
Urban Maintenance Contribution (GF-UMC)	5,138,774
Subtotal - General Fund Revenues	10,871,039
Economic Development (ED) Fund	250,000
General Obligation Bond Proceeds (BP)	5,000,000
General Obligation Bond Proceeds ~ Schools (BP-S)	5,287,500
Stormwater Fees (SWF)	2,495,000
Urban Development Action Grants (UDAG)	152,628
Wastewater Fund (WW)	1,183,000
Subtotal - Other Revenues	14,368,128
Grand Total Revenues	\$25,239,167

<u>Project Descriptions/Expenditures by Category</u>	<u>Amount</u>
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Education

Hampton City Schools Maintenance Projects (BP-S)

General Maintenance Projects	\$2,387,500
School Investment Plan Major Renovations Projects	2,900,000
Assist Hampton City Schools with routine maintenance projects such as replacing roofs, HVAC units, boilers, fire alarm systems and refurbishing hallways and restrooms, etc.	

<u>Thomas Nelson Community College [TNCC] Site Improvements (GFR)</u>	169,104
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State mandated contribution towards the site improvements at Thomas Nelson Community College (TNCC) based on the number of Hampton residents enrolled.

Hampton's Waterways

<u>Chesapeake Bay TMDL (SWF)</u>	1,000,000
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Projects that assist the City in meeting the Chesapeake Bay Total Maximum Daily Load (TMDL) as well as implementing projects to improve the City's waterways, i.e. watershed studies, new and retrofitted Best Management Practices (bioretention, wet ponds, etc.).

<u>Implementation Study (SWF)</u>	100,000
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Funds to implement various waterway studies.

<u>Neighborhood Drainage Program (SWF)</u>	585,000
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Construct drainage improvements in existing residential neighborhoods to facilitate proper drainage of runoff from public streets and/or to improve maintenance of street infrastructure that would improve drainage.

CAPITAL BUDGET

<u>Project Descriptions/Expenditures by Category</u>	<u>Amount</u>
Hampton's Waterways (Cont'd)	
<u>Salt Ponds Dredging and Waterways Projects (BP, SWF)</u>	1,210,000
Maintenance dredging which is required at scheduled intervals to mitigate the deposit of silt. Funding is also included for LIDAR software and training; improved equipment for MS4 mandated debris removal and creation of wetland and natural area restoration.	
Maintenance of Public Properties and Performance Support	
<u>Building Maintenance (GFB)</u>	1,000,000
Funds designated for inspection, evaluation, design, and repair or replacement of current major building systems and components to include HVAC, structural, electrical and plumbing in selected buildings. A sample of projects scheduled include: HVAC at Jail Annex RTU, North Phoebus Community Center and History Museum, roof replacement at General District Court, Circuit Court and Facilities Warehouse; installation of new water service to Fleet Services and Public Works Operations, Darling Stadium Fixture Upgrades, electrical upgrades at Fire Stations 5 and 7; General District Court lighting and re-caulking of windows at the Rupert Sargeant building.	
<u>Hampton Supervisory Control and Data Acquisition (SCADA)</u>	1,183,000
Project involves a series of rehabilitation projects that will assist the City in meeting the requirements of the regional consent order mandated by the Department of Environmental Quality. The rehabilitation plan will include upgrading and/or replacing portions of the sanitary sewer system. The first is Flow Area 208 (Claremont Area of Hampton), which is 1 of 83 flow basins that will need rehabilitation over the next 25 years.	
<u>Parks and Recreation Maintenance (GFB)</u>	1,500,000
Annual maintenance to public recreational facilities such as parks; tennis and basketball courts; softball, football and soccer fields and school outdoor recreational facilities to reduce the rate of deterioration, ensure compliance with safety standards and prevent future costly repairs and upgrades.	
<u>Re-engineering Technology (GFR)</u>	100,000
Funding pool for technological improvements necessary to implement recommendations made by re-engineering teams.	
Master Plans	
<u>Butler Farm/Coliseum Infrastructure Study (ED)</u>	250,000
Engineering study to extend Coliseum Drive as a four lane divided highway from Hampton Roads Center Parkway north to Butler Farm Road. The extension is critical to support future development opportunities in the area and improve the connection point into Coliseum Central from the adjacent corridors of Armistead Avenue and Magruder Boulevard.	

CAPITAL BUDGET

<u>Project Descriptions/Expenditures by Category</u>	<u>Amount</u>
Neighborhood Support	
<u>Blighted Property Acquisition and Demolition (GFR, UDAG)</u>	461,500
Acquire and demolish strategic (and generally blighted) properties to control redevelopment and halt disinvestments in Hampton's neighborhoods. Funds supplement Community Development Block Grants (CDBG) which permits acquisitions to continue at acceptable level and make possible acquisitions which are not CDBG eligible.	
<u>Neighborhood Improvement Funding (BP)</u>	174,000
Fund neighborhood level public improvements such as parks and landscaping. Funds awarded by Neighborhood Commission requires a 10% match. Neighborhoods must demonstrate the request is high priority based on extensive public outreach and input process.	
New Facilities	
<u>Animal Shelter Design (BP)</u>	3,000,000
Construct a 6,000 square foot shelter for animals that includes staff office space; HVAC systems and specialized plumbing; epoxy floors; noise reducing structure materials; specialized rooms to receive, quarantine, hold and adopt animals; reception areas for visitors and interaction with adoptable animals. The shelter will also be assessable to the public for the purpose of surrendering/adopting or retrieving animals that are recovered by animal control staff.	
Other CIP Projects	
<u>Contingency Funds (GFR)</u>	290,000
Funding source to cover cost overruns and change orders for previously approved General Fund projects that exceed original estimated cost due to increases in materials, labor, project delays, etc.	
<u>Motorola Lease Payment (GFR)</u>	1,864,289
Lease purchase payment for recently upgraded radio system which was acquired to conform to the Federal Communications Commission (FCC) recommended Project 25 (P25) standards.	
<u>Strategic Property Acquisition (GFR)</u>	200,000
Fund the acquisition of property in strategic areas of the City.	
Streets and Infrastructure	
<u>Armistead Avenue/LaSalle Avenue/Thomas Street Pedestrian Enhancements (GFR)</u>	300,000
Improve pedestrian access between Y. H. Thomas facility and the surrounding HRT bus stops. Enhancements will include installing accessible walkway paths, crosswalks and pedestrian lights to provide access to all nearby bus stops.	
<u>Buckroe Avenue Reconstruction - Phase I (BP)</u>	50,000
Site design for the streetscape project along Buckroe Avenue from N. First Street to N. Mallory Street to include curb and gutter, sidewalks, landscape verge, street fences, and pedestrian lighting in phases. Include paver crosswalks at key intersections.	

CAPITAL BUDGET

<u>Project Descriptions/Expenditures by Category</u>	<u>Amount</u>
Streets and Infrastructure (Cont'd)	
<u>Mallory Street Reconstruction (BP)</u> Streetscape improvements along Mallory Street in keeping with those near the I-64 Interchange. The project will also include safety improvements at the intersection of Mercury Boulevard and Mallory Street.	251,000
<u>Mercury Boulevard Reconstruction (BP)</u> Continue landscaping and lighting treatment west of the Coliseum in the area from Coliseum Drive to Aberdeen Road, to include installation of missing sections of sidewalks, street trees in the medians or in the merge area and adding more decorative pedestrian level lighting.	375,000
<u>North King Street - Phase II (BP)</u> Currently six local streets converge at North King Street and Little Back River Road, making for both inefficient and unsafe movements at this intersection. By stubbing out West Little Back River Road and Mac Alva Drive, a four-way intersection is created including road and traffic upgrades. Additional improvements will occur down East Little Back River Road.	750,000
<u>Street Resurfacing (GF-UMC)</u> Resurface and/or reconstruct arterial and residential streets throughout the City. A street resurfacing schedule is developed annually by the Department of Public Works.	5,138,774
Grand Total Project Expenditures	25,239,167

FY13 MANAGER'S
RECOMMENDED
BUDGET

COMPARISON OF PROPOSED AND MANAGER'S RECOMMENDED CAPITAL BUDGET

Revenue Sources	Proposed Plan	Recommended Budget	Increase (Decrease)
General Fund Revenues			
General Fund Balance Transfer	\$3,500,000	\$2,500,000	(\$1,000,000)
General Fund Operating Revenues	1,367,976	3,232,265	1,864,289
Urban Maintenance Contributions	4,600,000	5,138,774	538,774
Total General Fund Revenues	9,467,976	10,871,039	1,403,063
Other Revenues			
Economic Development Fund	250,000	250,000	0
General Obligation Bond Proceeds	5,000,000	5,000,000	0
General Obligation Bond Proceeds~Schools	5,287,500	5,287,500	0
Stormwater Fees	2,670,000	2,495,000	(175,000)
Urban Development Action Grant Funds	152,628	152,628	0
Wastewater Fund	1,183,000	1,183,000	0
Total Other Revenues	14,543,128	14,368,128	(175,000)
Total Revenue Sources	24,011,104	\$25,239,167	\$1,228,063

Expenditure Categories	Proposed Plan	Recommended Budget	Increase (Decrease)
Education			
Hampton City Schools General Maintenance Projects	\$2,387,500	\$2,387,500	\$0
Hampton City Schools Investment Plan Major Renovation Projects	2,900,000	2,900,000	0
Thomas Nelson Community College Site Improvements	169,104	169,104	0
Hampton's Waterways			
Chesapeake Bay TMDL	1,175,000	1,000,000	(175,000)
Implementation Study	100,000	100,000	0
Neighborhood Drainage	585,000	585,000	0
Salt Ponds Dredging and Waterways Projects	1,210,000	1,210,000	0
Maintenance of Public Properties and Performance Support			
Building Maintenance Fund	2,000,000	1,000,000	(1,000,000)
Hampton Supervisory Control and Data Acquisition (SCADA)	1,183,000	1,183,000	0
Parks and Recreation Maintenance	1,500,000	1,500,000	0
Re-engineering Technology	100,000	100,000	0
Master Plans			
Butler Farm/Coliseum Infrastructure Study	250,000	250,000	0

COMPARISON OF PROPOSED AND MANAGER'S RECOMMENDED CAPITAL BUDGET

Expenditure Categories	Proposed Plan	Recommended Budget	Increase (Decrease)
Neighborhood Support			
Blighted Property Acquisition and Demolition	461,500	461,500	0
Neighborhood Improvement Funding	174,000	174,000	0
New Facilities			
Animal Shelter	3,000,000	3,000,000	0
Other CIP Projects			
Contingency Funds	290,000	290,000	0
Motorola Lease Payment	0	1,864,289	1,864,289
Strategic Property Acquisitions	200,000	200,000	0
Streets & Infrastructure			
Armistead Ave./LaSalle Ave./Thomas St./Pedestrian Enhancemnts.	300,000	300,000	0
Buckroe Avenue Reconstruction - Phase 1	50,000	50,000	0
Mallory Street Reconstruction	251,000	251,000	0
Mercury Boulevard Reconstruction	375,000	375,000	0
North King Street - Phase 2	750,000	750,000	0
Street Resurfacing Program	4,600,000	5,138,774	538,774
Total Capital Expenditures	\$24,011,104	\$25,239,167	\$1,228,063

EXPLANATION OF CHANGES

Planned and Manager's Recommended Capital Budget for Fiscal Year 2013

<u>Revenues</u>	<u>Amount of Increase or (Decrease)</u>	<u>Explanation</u>
General Fund Revenues: General Fund Balance Transfer	(\$1,000,000)	This amount reflects a decrease in funding for Building Maintenance in order to fully exhaust funds on hand prior to any additional allocation.
General Fund Revenues: General Fund Operating Revenues	1,864,289	This amount reflects additional funding that has been allocated to fund the City's lease purchase payment for the recently acquired radio system.
General Fund Revenues: Urban Maintenance Contributions	538,774	This amount reflects additional funding that has been allocated by the Virginia Department of Transportation (VDOT) for street resurfacing.
Stormwater Fees	(175,000)	This amount reflects a decrease in funding to more accurately align with project requests for the year.
Total: Revenues	\$1,228,063	
<u>Project Expenditures</u>	<u>Amount of Increase or (Decrease)</u>	<u>Explanation</u>
Hampton's Waterways: Chesapeake Bay TMDL	(\$175,000)	Funding adjusted to more accurately align with project requests for the year.
Maintenance of Public Properties and Performance Support: Building Maintenance	(1,000,000)	Funding was decreased to allow full exhaustion of funds on hand prior to any additional allocations.
Other CIP Projects: Motorola Lease Payment	1,864,289	Funding to cover lease purchase payment for the recently upgraded radio system.
Streets and Infrastructure: Street Resurfacing	538,774	Funding for this project was increased by the Virginia Department of Transportation.
Total: Expenditures	\$1,228,063	